Remarks

This paper is responsive to the Office Action mailed April 18, 2007. Claims 55-93 are pending in this application. Claims 55, 78 and 80 are independent claims.

The Office Action does not clearly set forth the status of the claims. In the Office Action summary, the Examiner acknowledges that claims 55-93 are pending and indicates that claims 55-93 are rejected. However, the detailed action includes an objection to the claims. More important, the section setting forth the detailed claim rejections fails to address independent claim 78. Applicant requests clarification of the status of claim 78.

Section 1 of the Office Action sets forth claim objections. Section 2 of the Office Action nominally sets forth a rejection of claims 55, 68, 69, 75, 79 and 80 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent 6,154,732 issued to Brian Christopher Tarbox ("Tarbox") in view of U.S. Patent 6,205,434 issued to Raymond B. Ryan and Wendy J. Engel ("Ryan *et al.*"), Barron's Dictionary of Insurance Terms, 3rd Ed, Barron's Dictionary of Finance and Investment Terms, Fifth Ed., U.S. Patent 7,704,045 issued to Douglas L. King *et al.* ("King *et al.*"), U.S. Patent 6,014,642 issued to Khaled El-Kadi and Larion Deriennzo ("El-Kadi"), U.S. Patent 5,933,815 issued to Jerome S. Golden ("Golden"), U.S. Patent 6,275,807 issued to Felix Schirripa ("Schirripa") and U.S. Patent Application Publication 2001/0014873 naming an inventors Gary E. Henderson *et al.* ("Henderson *et al.*"). However, Section 2 also addresses claims 70-74, 76, 77, 90, 92 and 93. Claims 70-74, 76, 77, 90, 92 and 93 are not otherwise addressed by any claim rejection. Section 3 sets forth a rejection of claims 56 and 81 under 35 U.S.C. § 103(a) as being unpatentable over Tarbox, Ryan, Barron's Dictionary of Insurance Terms, Barron's Dictionary of Finance and Investment Terms, King, El-Kadi, Golden, Schirripa and Henderson and further in view of U.S. Patent 5,523,942 issued to Max C. Tyler *et al.* ("Taylor *et al.*). Section 4 sets forth a rejection of claims 57 and 82 under 35 U.S.C. § 103(a) as being unpatentable over Tarbox, Ryan, Barron's Dictionary of Insurance Terms, Barron's Dictionary of Finance and Investment Terms, King, El-Kadi, Golden, Schirripa and Henderson and further in view of U.S. Patent 6,021,397 issued to Christopher L. Jones *et al.* (Jones *et al.*") and U.S. Patent 5,893,071 issued to Steve Paul Cooperstein ("Cooperstein"). Section 5 sets forth a rejection of claims 58, 61-67, 83, 85-89 and 91under 35

U. S.C. § 103(a) as being unpatentable over Tarbox, Ryan, Barron's Dictionary of Insurance Terms, Barron's Dictionary of Finance and Investment Terms, King, El-Kadi, Golden, Schirripa and Henderson and further in view of Jones *et al.* Section 6 sets forth a rejection of claims 60 and 84 as being unpatentable over Tarbox, Ryan, King, El-Kadi, Golden, Schirripa and Henderson and further in view of Barron's Dictionary of Insurance Terms. Applicant respectfully requests that these rejections be withdrawn and that this application be reconsidered for at least the following reasons.

CLAIM OBJECTIONS

The Examiner objects to the presentation of the claims and requests substitute claims. (Office Action p. 2.) Applicant provides above a complete listing of the claims that complies with the requirements of 37 C.F.R. § 1.52(b)

CLAIM REJECTIONS

The Examiner relies solely on obviousness rejections under 35 U.S.C. § 103 as the basis of the Examiner's refusal to allow this application.

Summary of Claimed Invention

The claimed invention provides the tools for an individual to conduct much of his or her own retirement planning. The disclosed system functions "as a retirement planning and implementation tool for individuals who have accumulated personal assets and are seeking secured or guaranteed lifetime benefits." (Spec. p. 12.) The system takes funds from asset vehicle accounts and allocates the funds toward desired benefits over a conversion period specified by the individual. (Spec. p. 19.) The assets are converted to the retirement benefits over a period of time on a gradual basis. (*Id.*) Thus, it is the individual's "decision, based on his or her risk, tolerance, to determine the length of the conversion period and the amount of funds to keep in higher risk investments." (*Id.*) To enable the individual to manage these and other decisions regarding his or her retirement accounts, the system provides for the valuation of the assets and more importantly the benefits managed by the system.

The system performs various calculations and simulations in order to illustrate to the individual the risks of his selection and the statistical outcomes of his selection. (Spec. p. 41.) When a purchase of a benefit is desired, the system determines the value of the benefits purchased to date and also determine the amount of assets remaining to purchase desired

benefits. (Spec. p. 33.) The system also calculates the target benefit that would be available if the entire asset accounts were allocated toward the purchase of benefits immediately. (Spec. p. 39.) The simulations also calculate the current value and target benefit payments at future intervals of the allocation period. (Spec. pp. 42-43.) The system thus provides unprecedented tools for the retiree to manage his or her retirement plan.

One advantage of the present invention is that an individual may adjust the benefits in his or her retirement account. Thus, the inventive system provides for changes in the individuals circumstances. The system responds to changed individual input by recalculating the value and target benefits provided by the retirement plan.

Response to Rejection under Section 103

Applicants maintain that the claimed invention would not have been obvious to one of ordinary skill in the art to which the claimed subject matter pertains. The Examiners arguments to the contrary are insufficient to establish a rejection under 35 U.S.C. § 103.

There are three independent claims pending; claims 55, 78 and 80. The most fundamental error in the Office Action is that claim 78 is not addressed in the Detailed Action. Claim 78 sets forth: "An integrated computer system for planning for, implementing and administering a retirement benefit program including at least one guaranteed life-dependent retirement benefits." The system includes a server, a controller included with the server and a simulation component operatively connected to the controller. The simulation component is adapted to generate sample retirement benefit programs, each including for intervals of an allocation period (i) a simulated total current value and (ii) a simulated target benefit payment value. The simulation component is adapted to recalculate the simulated total current value and the simulated target benefit payment value based on change information received from a remote client computer. The prior art of record fails to show or suggest such a simulation component. The Office Action fails to address this simulation component. For this reason, applicant requests that the Examiner indicate that claim 78 is allowable.

Claim 79 depends from claim 78. Claim 79 further sets forth that the simulation component is adapted to statistically calculate simulated purchase prices of fractions of an available guarantee life-dependent retirement benefit. "If an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious. M.P.E.P. 8th Ed.,

Rev. 5 (2006) (citing *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988)). Claim 79 is cited in section 2 of the Office Action as being rejected as being obvious in view of Tarbox, Ryan, Barron's Dictionary of Insurance Terms, Barron's Dictionary of Finance and Investment Terms, King, El-Kadi, Golden, Schirripa and Henderson. However, the Office Action is silent regarding how any of these nine applied references show or suggest the simulation component as set forth by claim 79. If fact the Office Action, is silent regarding a simulation component in the applied art. For at least these reasons, applicant respectfully requests that the rejection of claim 79 be withdrawn.

Claims 55 and 80 are independent claims. Claims 56-77 and 81-93 depend from claims 55 and 80 respectively. Claims 55-77 and 80-93 are patentable for at least the following reasons. Claim 80 sets forth a method for implementing and administering a retirement benefit program including at least one guaranteed, life-dependent retirement benefit. According to the claimed method, a portion of funds corresponding to an asset vehicle is allocated toward purchasing fractions of a guaranteed life-dependent retirement benefit at intervals of an allocation period. As of the current date, the total current value of the retirement benefit purchased and market value of the asset vehicle are calculated. Also calculated is a target benefit payment value representative of a benefit payment available to a person if the allocation period is immediately accelerated by allocating the funds corresponding to the total current value towards purchasing a remainder of the guaranteed life-dependent retirement benefit. For each future interval of the allocation period a total current value and a target benefit payment is calculated. For each future interval of the allocation period a recalculated total current value and a recalculated target benefit payment value is recalculated based on change information received from a remote client computer. Based on a change to the retirement benefit program the allocation of funds is altered towards achieving the recalculated total current values and recalculated target benefit payments.

Claim 55 sets forth an integrated computer system. The system includes a server coupled to a network to establish a data communications link with a remote client computer. The server includes a controller that performs calculations similar to the calculation set forth by claim 80. The controller is operatively connected to an allocation component that performs allocation functions similar to those set forth by claim 80.

The art of record does not show or suggest a method or system of implementing and administering a retirement benefit program including at least one guaranteed life-dependent retirement benefit that calculates total current value and target benefit payments a each allocation period as an asset vehicle is converted to a guaranteed life-dependent retirement benefit. The art of record also does not show or suggest recalculating the current value and target benefit payments at intervals of the allocation period based on change information including a change to the retirement benefit program.

> Office policy is to follow *Graham v. John Deere Co.* [383 U.S. 1, 148 U.S.P.Q. 459 (1966)] in the consideration and determination of obviousness under 35 U.S.C. 103. . . . [T]he four factual inquiries enunciated therein as background for determining obviousness are as follows:
>
> (A) Determining the scope and contents of the prior art;
>
> (B) Ascertaining the differences between the prior art and the claims at issue;
>
> (C) Resolving the level of ordinary skill in the pertinent art; and
>
> (D) Evaluating evidence of secondary considerations.

M.P.E.P. § 2141 I. The Examiner cites to at least nine references to establish the scope and contents of the prior art. The Examiner establishes that the prior art teaches numerous methods for managing investments and conducting financial transactions. However, the applied art fails to show or suggest the specific limitations of claims 55 and 80. The Examiner acknowledges that the primary reference to Tarbox does not show or suggest each limitation of claims 55 and 80.

> Tarbox does not explicitly disclose:
> - Conversion of investments, assets or contracts
> - Purchasing of fractions of investments, assets and contracts, including gradual purchases over time.
> - Guaranteed life-dependent financial contracts or instruments.
> - Recalculations as they apply to the advisor's service activities for the client.
> - Financial and statistical information related to future market performance, inflation and interest rates.

- A controller adapted for performing operations of an integrated computer system such as being operatively coupled to storage means for storing information and to calculate and recalculate various values and valuations.

Office Action pp. 3-4. The Examiner acknowledges that the primary reference is not directed to converting an asset to a guaranteed life-dependent retirement benefit over an allocation period. The Examiner acknowledges that the primary reference does not teach the calculations and recalculations set forth by claims 55 and 80 that enable an individual to implement and administer a retirement benefit program that converts assets to benefits over an allocation period. The Examiner also acknowledges that the primary reference does not disclose a controller as set forth by claim 56 that performs these calculations and recalculations.

Claim 80 sets forth: "allocating at selected intervals of an allocation period in accordance with at least a first set of instructions an allocation of a portion of funds corresponding to at least one asset vehicle, containing one or more personal financial assets owned by the person, towards purchasing one or more fractions of at least a first guaranteed life-dependent retirement benefit that provides one or more income benefit payments to the person to gradually purchase the at least first retirement benefit during the allocation period." The Examiner does not point out where such a step is taught by the prior art. Rather the Examiner asserts:

> It would have been obvious for a retirement plan buyer to have wanted to know at any time during the period of his initial inquires and negotiations with the current practitioner thorough the first step of conversion until his market based assets were fully converted to life-dependent retirement benefit plans as to what the current value of his current assets was and what the cost of immediate payment of a complete retirement benefit would be if fully paid immediately. Numerous other what-if question by the asset owner would also have been obvious to expect from the asset owner client or conversion prospect.

Office Action, p. 5. The Examiner's assertion is insufficient to establish obviousness. First, the Examiner fails to resolve the level of ordinary skill in the pertinent art. The Examiner asserts what it would have been obvious for a retirement plan buyer to have wanted. The Examiner does not establish what one of ordinary skill in the art of the claimed subject matter

would have found obvious to provide. Second, the Examiner's assertion is unsupported. The Examiner fails to identify a reason why the person of ordinary skill in the art would have combined prior art elements in manner claimed. "[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 441 F.3d 977, 988, 78 U.S.P.Q.2d 1329, 1336 (Fed. Cir. 2006). The Examiner cites to eight secondary references allegedly to show the following:

- Barron's Dictionary of Insurance Terms, Barron's Dictionary of Finance and Investment Terms and King to show conversion of investments, assets and contracts,
- Golden to show guaranteed life-dependent financial contracts or instruments,
- El-Kadi to show the purchasing of fractions of investments, assets and contracts including gradual purchases over time,
- Shirripa to show recalculations as they apply to advisor's service activities for the client
- Henderson to show financial and statistical information related to future market performance, inflation and interest rates, and
- Ryan to show a controller.

Office Action p. 4. The Examiner's characterization of these references is not entirely correct. For example, the Examiner asserts that El-Kadi *et al.* discloses gradual purchases over time. El-Kadi is directed to benefits processing system that manages 401(k) retirement accounts in manner that permits plan participants to invest in any investment that is traded on any exchange or over the counter. El-Kadi *et al.* col. 2, ll. 9-14. El-Kadi *et al.* recognizes that regular purchases are likely to be made in a 401(k) account over time as the account is funded through payroll deductions. El-Kadi *et al.* is, thus, directed to the creation of an asset for retirement purposes. El-Kadi *et al.* is silent regarding how to manage the asset during retirement. El-Kadi *et al.* does show or in any way suggest the conversion of the 401(k) account to a guaranteed life-dependent retirement benefit over a conversion period.

There is in fact no suggestion in the art of record of the gradual conversion of an asset to a guaranteed life-dependent retirement benefit over a conversion period. The Examiner asserts that this claim limitation "is essentially a conversion program from one or more assets to another asset." The Examiner cites to the Barron's Dictionary of Insurance Terms, Barron's Dictionary of Finance and Investment Terms and King to show that conversion is known. However, the relevant issue is not whether conversion in general is old art, but rather whether the conversion process as defined by the pending claims would have been obvious to one of ordinary skill in the pertinent art. The Examiner has articulated no reasoning with some rational underpinning to support the conclusion that the conversion of an asset to a guaranteed life-dependent retirement benefit over a conversion period would have been obvious to one of ordinary skill in the art. Rather the Examiner asserts that it would have been obvious for a retirement plan buyer to have wanted information regarding the conversion of market based assets to life-dependent retirement benefits during the conversion period. However, the Examiner has pointed to nothing that would have suggested to one of ordinary skill in the art to provide a system or method to permit the retirement plan buyer to convert assets to a life-dependent retirement benefit over a conversion period. Claims 55 and 80 further set forth calculating the total current value and target benefit payments for each future interval of the allocation period. As the conversion of an asset to a guaranteed life-dependent retirement benefit is not suggested in the prior art, there is no basis to conclude that it would have been obvious to one of ordinary skill to have calculated total current value and target benefit payments of retirement benefit program in which such conversion is accomplished.

Claims 55 and 80 also set forth calculating "a total current value representative of a sum of a current value of the retirement benefit purchased to date based on an individual, personal actuarial valuation of the benefit and a market value of the asset vehicle." The Examiner asserts that "calculating and recalculating current values and future values for any number of future intervals and contractual assumptions and contingencies being considered has been well known in the art, including actuarial valuation of the benefit and a market value of the asset vehicle." Office Action, p. 5. Claims 55 and 80 are amended to set forth that the actuarial valuation of the guaranteed life-dependent benefit is individual and personal. There is no suggestion that one of ordinary skill in the art would have valued a guaranteed life-

dependent retirement benefit based on individual personal actuarial data in order to equate the value with the market value of an asset vehicle.

Claims 55 and 80 further set forth recalculating a recalculated total current value and recalculated target benefit payment value based on change information including a change to the retirement benefit program specified by the owner. The Examiner merely asserts: "Recalculations have been an obvious and common component service activity performed for prospective and existing retirement investment planning clients by the army of ordinary practitioners such as investment advisors, CLU's and personal financial planners using every legally approved investment contract and forecasting tweak available to a CLU and/or licensed financial planner and advisor through his licensed and certified training, from his underwriting companies and through his ongoing updates of his professional knowledge base." However, the claims do not set forth recalculation in general. They set forth recalculated target benefit payment in a retirement benefit program in which a assets are allocated to a guaranteed life-dependent retirement benefit over an allocation period. There is no suggestion that any of the "army of ordinary practitioners" referred to by the Examiner ever conducted or contemplated a recalculation as set forth by claims 55 or 80. Furthermore, claims 55 and 80 set forth altering "the allocation of funds towards achieving the recalculated total current values and the recalculated target benefit payment values." The Examiner does not address this limitation of claims 55 and 80. There is no suggestion that one of ordinary skill in the art would have found it obvious to alter the allocation funds towards purchasing fractions of a guaranteed life-dependent retirement benefit over an allocation period.

The Examiner fails to appreciate the significance of the declaration filed February 2, 2007, by the inventor, Mr. Jerome Golden ("Golden Declaration"). The Examiner's position appears to be that it is known to convert one asset to another in the insurance and investment industries and further that calculating information regarding any such conversion would be with the capabilities of one of ordinary skill in the art. The Examiner's position reduces to the position that there can be no non-obvious new insurance or investment products because the mechanics of buying, selling, and valuing insurance and investment products are known in the art. The Golden Declaration points out the errors in the Examiner's reasoning. The Examiner makes reference to what would have been an obvious activity performed "by the army of

ordinary practitioners such as investment advisors, CLU's and personal financial planners, using every legally approved investment contract . . . available to a CLU and/or other licensed financial planner and advisor." The Golden Declaration explains why the claimed invention would not have been suggested by the knowledge of the "army practitioners" referred to by the Examiner. The Golden Declaration sets forth that Jerome Golden has significant experience in the financial services industry, yet is unaware of product that predates the invention that provides for the features of the claimed invention. There was simply no "legally approved investment contract . . . available to a CLU and/or other licensed financial planner and advisor" to implement the claimed invention. In fact, the inventor obtained the regulatory approval in all fifty states for the first product that permits practicing the claimed invention. Golden Declaration ¶ 7. Prior to applicant's invention, there were no legally approved investment or insurance products that would enable the invention. Accordingly, the claimed invention would not have been obvious to one of ordinary skill in the art.

In particular, prior to the inventor's implementation of an embodiment of the invention there were no products available that provided for a guaranteed life-dependent retirement benefit for a person which included allocating a portion of funds from one or more personal financial assets of an individual towards purchasing one or more fractions of a guaranteed life-dependent retirement benefit to provide one or more income benefits to the person. Golden Declaration ¶ 9. Furthermore, prior to the present invention there was no reason or suggestion to determine a present value of a annuity, retirement benefit or similar insurance product based on an individual's personal data. When a retiree is given the ability to allocate an asset to the purchase of fractions of a guaranteed life-dependent retirement benefit over intervals of an allocation period, the retiree needs to be able to determine the current value of the dependent retirement benefit to himself or herself. There was no such need when purchasing, for example, an annuity in a single transaction. Accordingly, the present invention creates the need to value the purchased retirement benefit based on an individual, personal actuarial valuation. Golden Declaration ¶ 10. Furthermore, as the allocation of an asset to purchase a guaranteed life-dependent retirement benefit was not known prior to the instant invention, the ability to recalculate and alter the allocation of funds to achieve a recalculated total current value and a recalculated target benefit payment could not be contemplated by one of ordinary

skill in the art. Such recalculation and allocation alteration were not present in the prior industry offerings. Golden Declaration ¶¶ 12-13.

The Examiner asserts that the Golden Declaration only refers to the invention, not the claims. Office Action p. 15. The Examiner is incorrect. The Golden Declaration expressly refers to numerous claim limitations at paragraphs 9-13. The Golden Declaration establishes that these claim limitation were not included in financial products and services available prior to the invention of claimed subject matter. Accordingly, the Examiner's unsupported assertions that these limitations would have been obvious to the "army of ordinary practitioners such as investment advisor, CLU and personal planners" is without merit.

Further, applicant submits herewith the Declaration of Larry Port. The Port Declaration establishes that the MassMutual Financial Group acquired Golden Retirement Resources principally to obtain a commercial embodiment of the claimed invention. Accordingly, the Port Declaration demonstrates the success of the claimed subjected matter. The Examiner asserts: "there is no evidence that if persons skilled in [t]he art who were presumably working on the problem knew of the teachings of the above cited references, they would still be unable to solve the problem." Office Action pp. 15-16. The Port Declaration provides evidence that when the problem solved by the claimed invention was presented to the decision makers at the MassMutual Financial Group, they did not attempt to solve the problem on their own. Rather, than find the solution to the problem obvious, they instead acquired Golden Retirement Resources to obtain the claimed invention. Port Declaration ¶ 7. The Port Declaration thus provides the evidence that the claimed invention was not obvious to those of ordinary skill in the art.

The Examiner has cited to over nine references to show elements within the knowledge of one of ordinary skill in the art. The Examiner then merely sets forth a conclusory statement that the claims elements are obvious in view of the cited references. The Examiner has not, however, articulated some reasoning with some rational underpinning to support the legal conclusion of obviousness. For this reason, Applicant respectfully requests that the rejections of claims 55-93 be withdrawn.

CONCLUSION

Applicant respectfully submits that each objection and rejection set forth in the recent Office Action is addressed by the above remarks. Each of claims 55-93 have been demonstrated to be patentable over the prior art of record taken in any reasonable combination. Accordingly, Applicant respectfully requests that the rejections of claims 55-93 be withdrawn and that this application be allowed to issue as U.S. letters patent. Should the Examiner require the resolution of any issue to facilitate allowance, the Examiner is invited to contact the undersigned. Please charge any fees determined to be due by the U.S. Patent and Trademark Office to the undersigned's Deposit Account No. 07-1700.

Respectfully submitted,

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